



ASIA ENTERPRISES HOLDING LIMITED

**MAJOR REGIONAL DISTRIBUTOR OF STEEL
PRODUCTS TO INDUSTRIAL END-USERS**

1H20 RESULTS PRESENTATION

FINANCIAL SUMMARY

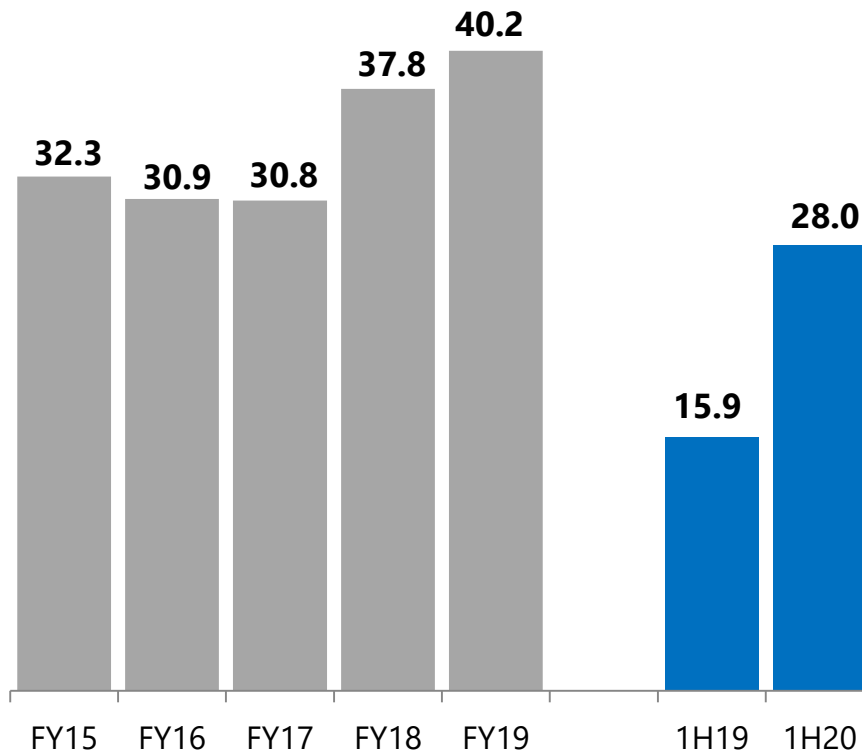
GROUP REVENUE IMPROVED IN 1H20

(\$ million)	1H20	1H19	y-o-y change (%)
Revenue	28.0	15.9	76
Gross Profit	4.0	3.0	30
<i>GP Margin</i>	14.1%	19.1%	-
Other Income	0.6	0.6	8
Selling and Administrative costs	(4.4)	(3.7)	19
Finance and Other Charges	(0.0)	(0.1)	n.m.
Profit / Loss Before Tax	0.2	(0.2)	n.m.
Net Profit / Loss to equity holders (PATMI)	0.2	(0.0)	n.m.

FY: Financial year ending 31 December

GROUP REVENUE

ANNUAL / YTD REVENUE (S\$ M)

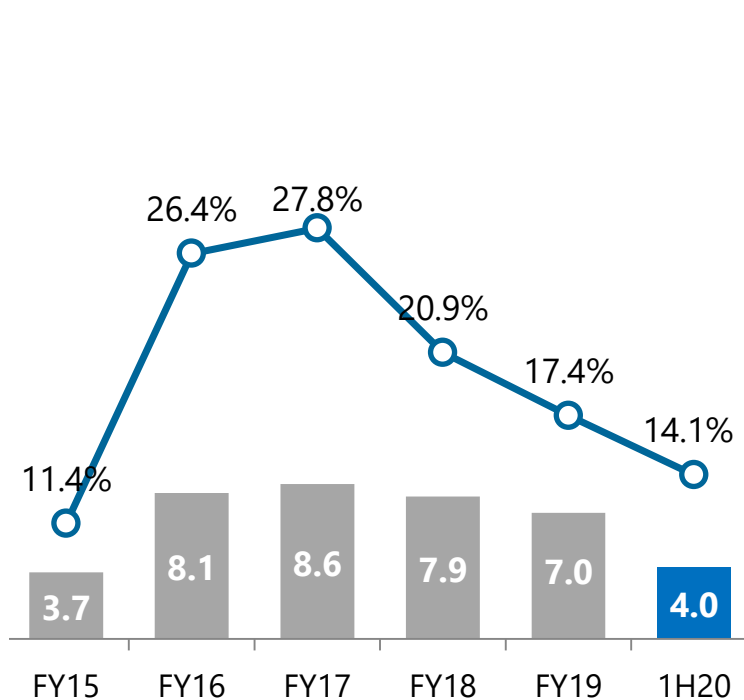


1H20 revenue jumped 76% from 1H19

- Driven mainly by higher volume of sales which more than offset the impact of lower ASP
- Higher orders from customers in the marine and offshore, and engineering/fabrication segments
- Witnessed higher purchases of steel products from shipyards in Indonesia
- Increased sales to Indonesia offset moderation in sales in Singapore where end-users experienced project delays amid the circuit breaker measures to curb the spread of Covid-19

GROSS PROFIT

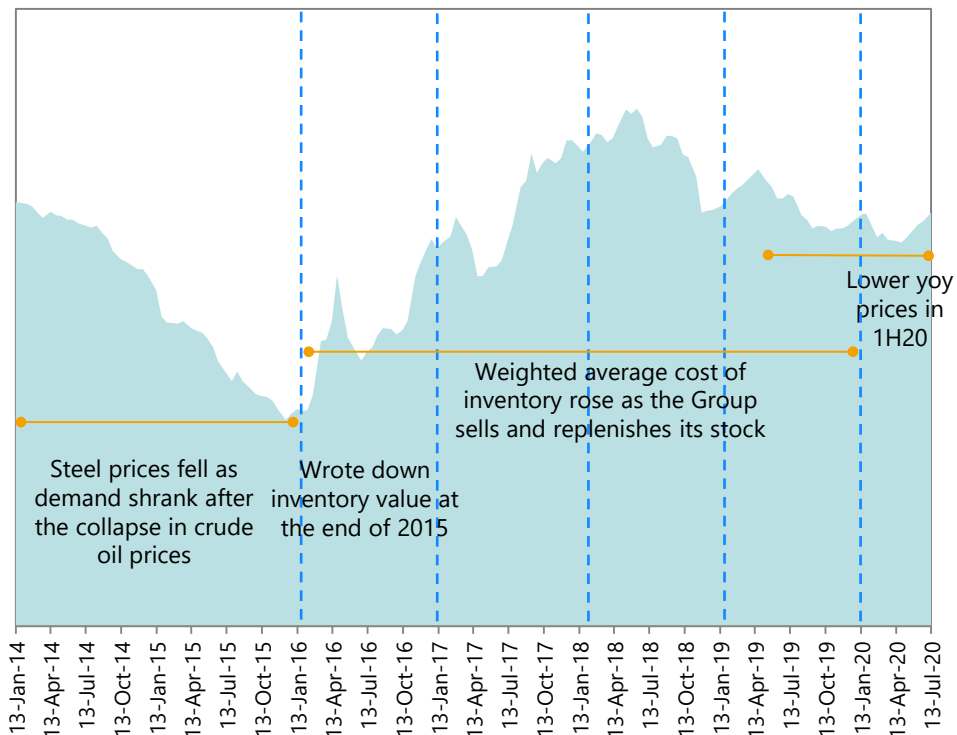
GROSS PROFIT (S\$ M) & GP MARGIN (%)



1H20 GP margin eased to 14.1% due mainly to lower ASP

INDUSTRY PRICE TREND

SteelBenchmarker™
China Plate Price (US\$ per metric tonne)

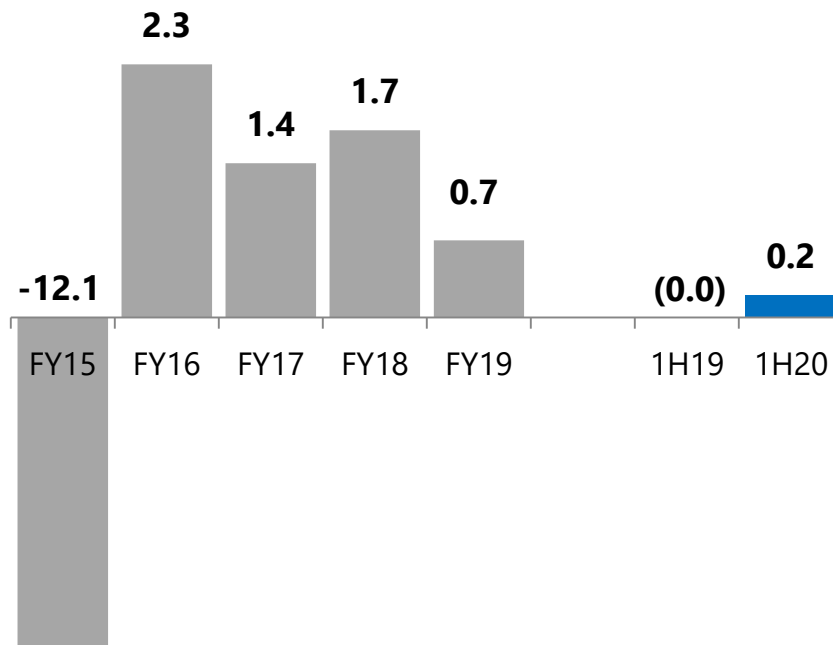


Source : SteelBenchmarker

*Prices illustrate the general steel price trend and are not representative of the Group's buying/selling prices

GROUP PROFIT

➤ ANNUAL / YTD PATMI (S\$ M)



Turnaround in bottom line to a profit of S\$0.2M in 1H20 from a loss of S\$37,000 in 1H19

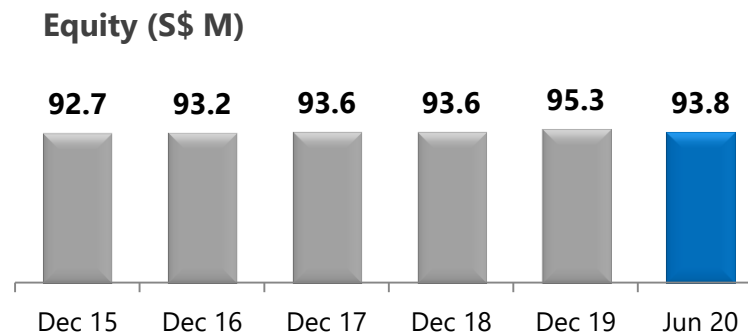
- Driven mainly by higher sales and gross profit
- Recorded foreign exchange gain of S\$0.1 million compared to a foreign exchange loss of S\$57,000 in 1H19

BALANCE SHEET

➤ FINANCIAL POSITION REMAINED SOUND AS AT 30 JUNE 2020

S\$ M	30 Jun 20	31 Dec 19
Cash	44.9	47.4
Debt	0.0	0.0
Net Cash	44.9	47.4

Per Share (cents)	30 Jun 20
NAV	27.5
Cash	13.2
Inventory	4.5



SUMMARY (S\$ M)

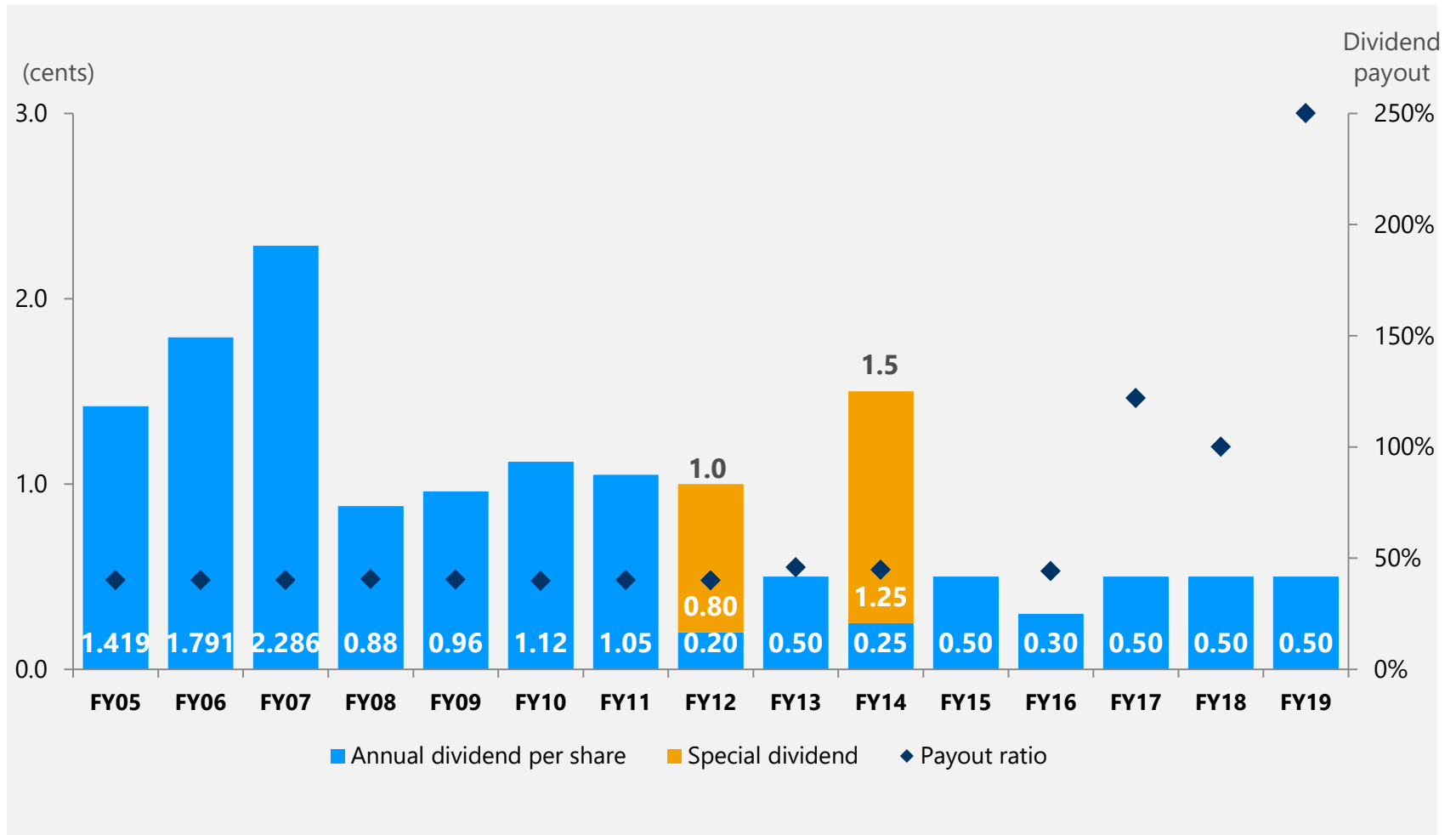
	30 Jun 20	31 Dec 19
Non-current assets	32.6	34.2
Current assets	75.6	75.4
Non-current liabilities	10.0	10.3
Current liabilities	4.3	4.0

FINANCIAL RATIOS

	30 Jun 20	31 Dec 19
Trade receivables turnover	65 days	67 days
Inventory turnover	116 days	173 days
Net gearing	Zero borrowings	Zero borrowings
Current ratio	17.5 times	18.7 times

DIVIDEND TRACK RECORD

➤ ANNUAL DIVIDEND PAYOUT OF AT LEAST 40% SINCE FY2005



CORPORATE UPDATE

- While revenue and profit improved in 1H20, business conditions are expected to remain challenging in the second half of 2020 in view of the economic fallout from the Covid-19 pandemic
- Group was able to continue with its steel distribution business in Singapore during the circuit breaker period. However, some of its end-users had to halt their projects due to workforce disruptions or restrictions in business activities during 2Q20
- As Covid-19 takes its toll on global economies, this could lead to a slowdown in pipeline of projects in steel end-users' industries, and hence demand for steel products
 - Projects in Singapore's offshore and marine sector could be hampered by reduced investments by energy companies due to a decline in worldwide oil consumption and weaker crude oil prices
 - Strength and sustainability of steel demand from Indonesia shipyards is uncertain, depending on the impact of Covid-19 on Indonesia's economy and business activities in the second half of 2020
- Steel supply chain has thus far not seen any major disruptions
- The Group believes its sound and debt-free balance sheet will enable it to withstand challenging business periods



SAFE HARBOUR FOR FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Asia Enterprises Holding Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Asia Enterprises Holding Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Asia Enterprises Holding Limited's business, financial conditions, results of operations and prospects may have changed since that day. Asia Enterprises Holding Limited has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.



ASIA ENTERPRISES HOLDING LIMITED

**MAJOR REGIONAL DISTRIBUTOR OF STEEL
PRODUCTS TO INDUSTRIAL END-USERS**

3 Pioneer Sector Walk
Singapore 627897
www.asiaenterprises.com.sg

INVESTOR RELATIONS CONTACT

Octant Consulting
Tel (65) 6296 3583
herman@octant.com.sg or lisa@octant.com.sg